

AREA PROFILE & EXISTING CONDITIONS

February 2021





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Acronyms & Abbreviations

A

ACS American Community Survey

B

BEA Bureau of Economic Analysis

BEBR Bureau of Economics and Business Research

BLS Bureau of Labor Statistics

C

CAAGR Compound Average Annual Growth Rate

E

ECRC Emerald Coast Regional Council

EDR Economic and Demographic Research

F

FAA Federal Aviation Administration

FL Florida

G

GDP Gross Domestic Product

GRP Gross Regional Product

H

HSMV Highway Safety and Motor Vehicles

L

L RTP Long Range Transportation Plan

M

MPO Metropolitan Planning Organization

MTP Metropolitan Transportation Plan

O

O-W Okaloosa-Walton

T

TPO Transportation Planning Organization

U

U.S. United States

V

VSP Destin-Fort Walton Beach Airport

W

W&P Woods & Poole Economics

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1.0 Introduction

The Okaloosa-Walton Transportation Planning Organization (O-W TPO) is a part of the Emerald Coast Regional Council (ECRC).

Federal and state metropolitan planning regulations require the O-W TPO to develop a Metropolitan Transportation Plan (MTP) every five years. The Long Range Transportation Plan (LRTP) fulfills this requirement, defines the transportation vision, establishes goals and objectives that will lead to achieving this vision, and allocates projected revenues to transportation programs and projects that implement these goals and objectives for the O-W transportation planning area. The transportation planning area consists of the southern portions of Okaloosa and Walton Counties in the state of Florida. A map of the TPO boundary can be seen in **Figure 1**.

Figure 1. Okaloosa-Walton Transportation Planning Area



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2.0 Study Area Characteristics and Trends

The purpose of this section is to describe the historical and projected future trends in the study area socioeconomic characteristics to provide the context for other components of the LRTP.

For analytical purposes of this section, and given data availability at the county-level, the study area region encompasses all of Okaloosa and Walton Counties.

2.1 Population

Population is a key variable that drives traffic movements including those in the two-county region. As presented in **Table 1** and **Figure 2**, based on Census Bureau data, the regional population increased by over 113,000 during the 1990 to 2019 timeframe, reaching the estimated total of 284,800 in 2019 (the latest year of available data). This equated to a compound average annual growth rate (CAAGR) of 1.8 percent, which matched the corresponding statewide CAAGR of 1.8 percent, and exceeded the U.S. national average pace of 1.0 percent per year since 1990.

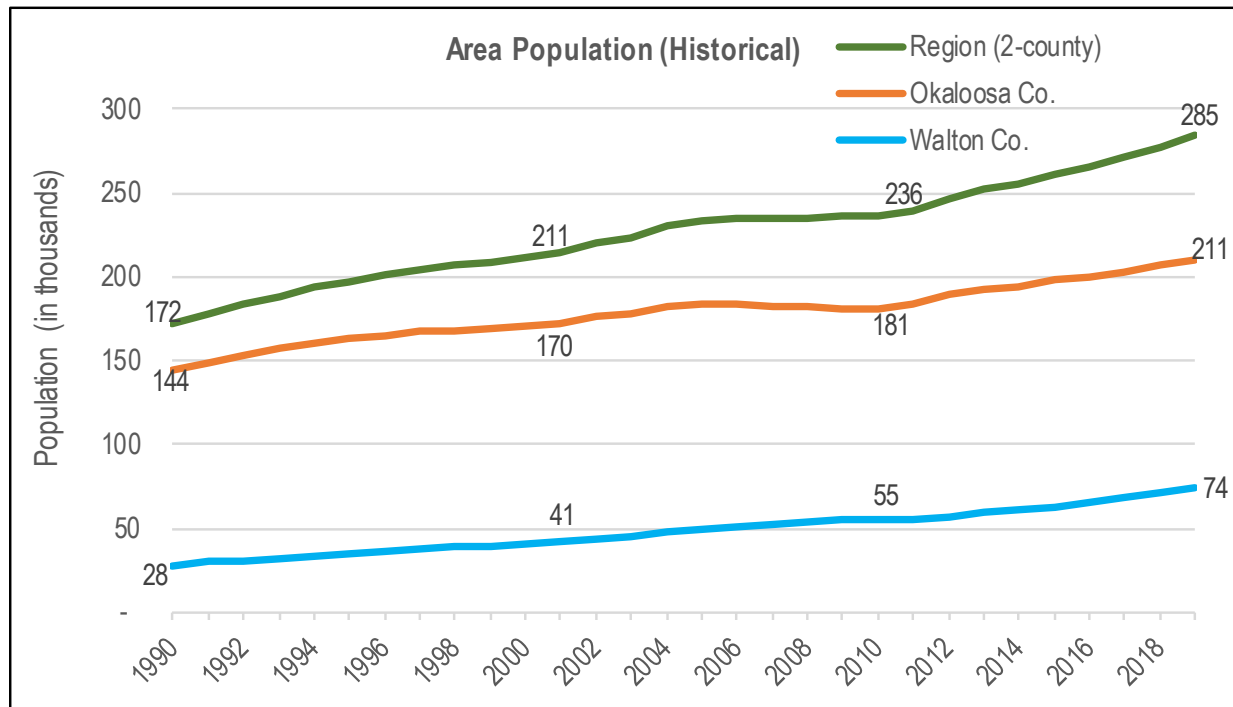
Table 1. Regional Population – Summary

Area	Population			Absolute Increase		Annual Growth Rate	
	1990	2019	2045	1990-2019	2019-2045	1990-2019	2019-2045
Okaloosa County	143,777	210,738	242,300	66,961	31,562	1.3%	0.5%
Walton County	27,759	74,071	107,700	46,312	33,629	3.4%	1.5%
Region (2-county)	171,536	284,809	350,000	113,273	65,191	1.8%	0.8%
Florida	12,938,071	21,477,737	27,266,900	8,539,666	5,789,163	1.8%	0.9%

Source: Census, 2020 and BEBR, 2020

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Figure 2. Regional Population – Historical Trend

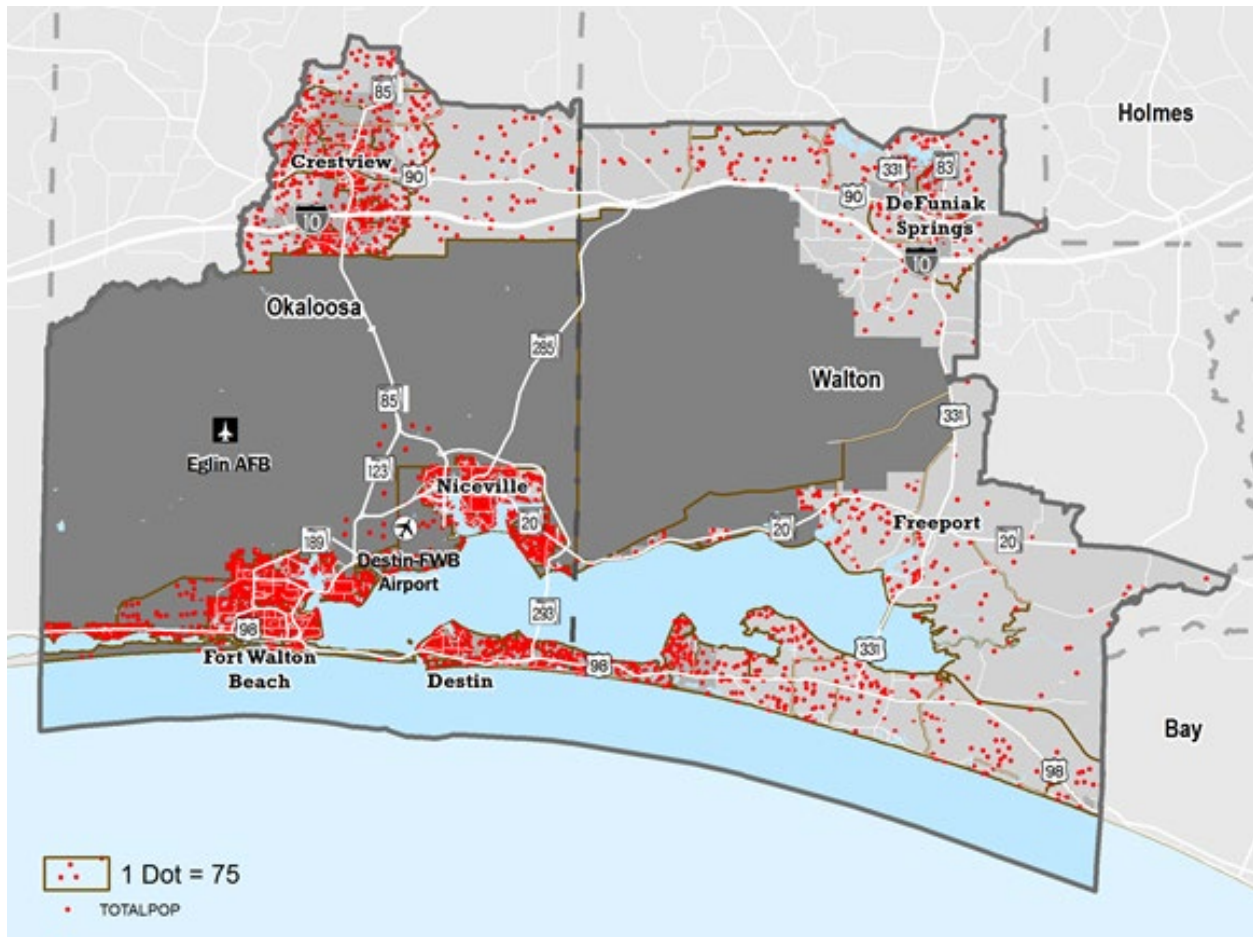


Source: Census, 2020

Figure 3 illustrates a mapping of population density in the TPO area in year 2018, placing the population into the area's land area context. The average density of the area was around 170 people per square mile, which is lower than the statewide average of 401, but over twice as dense as the U.S. as a whole. However, when the Census Block Groups with land on Eglin Air Force Base are excluded, the average density rises to about 300 people per square mile. As expected, the density within the area is unevenly distributed, with concentrations in Fort Walton Beach, Destin, Niceville, and Crestview areas, as well as along the major transportation corridors. It can be naturally expected to grow with further clustering over time, with increases in demand for transportation infrastructure to accommodate it.

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Figure 3. Area Population Density



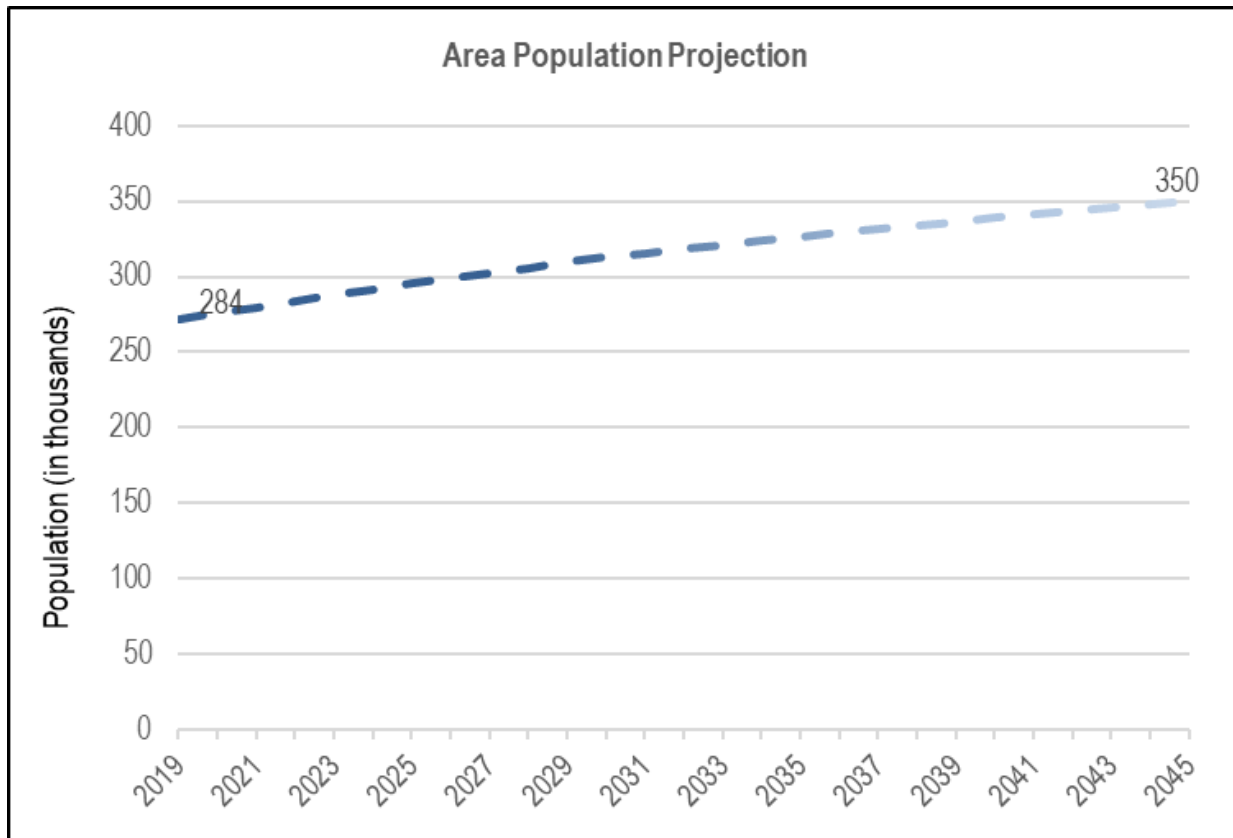
According to the Bureau of Economic and Business Research (BEBR) projections,¹ the regional population is expected to reach 350,000 in year 2045 (see **Table 1** and **Figure 4**). This is a 65,200 increase (or 0.8 percent annually on average) from the 2019 level. This growth rate, however, is somewhat below the corresponding future rate for the state as a whole, i.e., 0.9 percent, and also lower than the region's historical long-term rate.

It needs to be noted that within the region substantial differentials exist in terms of both the historical and projected population growth rates between the two constituent counties, with Walton expanding much faster than Okaloosa in the last three decades (i.e., 3.4 percent vs. 1.3 percent), and going forward (1.5 percent vs. 0.5 percent) as well.

¹ University of Florida, BEBR, 2020

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Figure 4. Regional Population – Projected Trend



Source: BEBR, 2020

2.2 Households

Growth in regional households has historically shown a similar pattern to population, albeit at a somewhat faster pace in the region since 1990 (see **Table 2**). There were 108,300 households in the region as of 2018, an increase of almost 43,400. That was equivalent to an annual pace of 1.9 percent, which exceeded the corresponding state average of 1.5 percent per year. The average household size (as measured in persons per household) in the region is about 2.5, which is similar to the state average.

Based on Woods & Poole Economics (W&P, 2019) projections, future average growth rate of households in the region is forecasted to decelerate to 1.0 percent per year through 2045 (see **Table 2** and **Figure 5**), which will be comparatively slower than Florida as a whole (at 1.4 percent per year). Within the region, household growth in Walton County has significantly exceeded the pace in Okaloosa County.

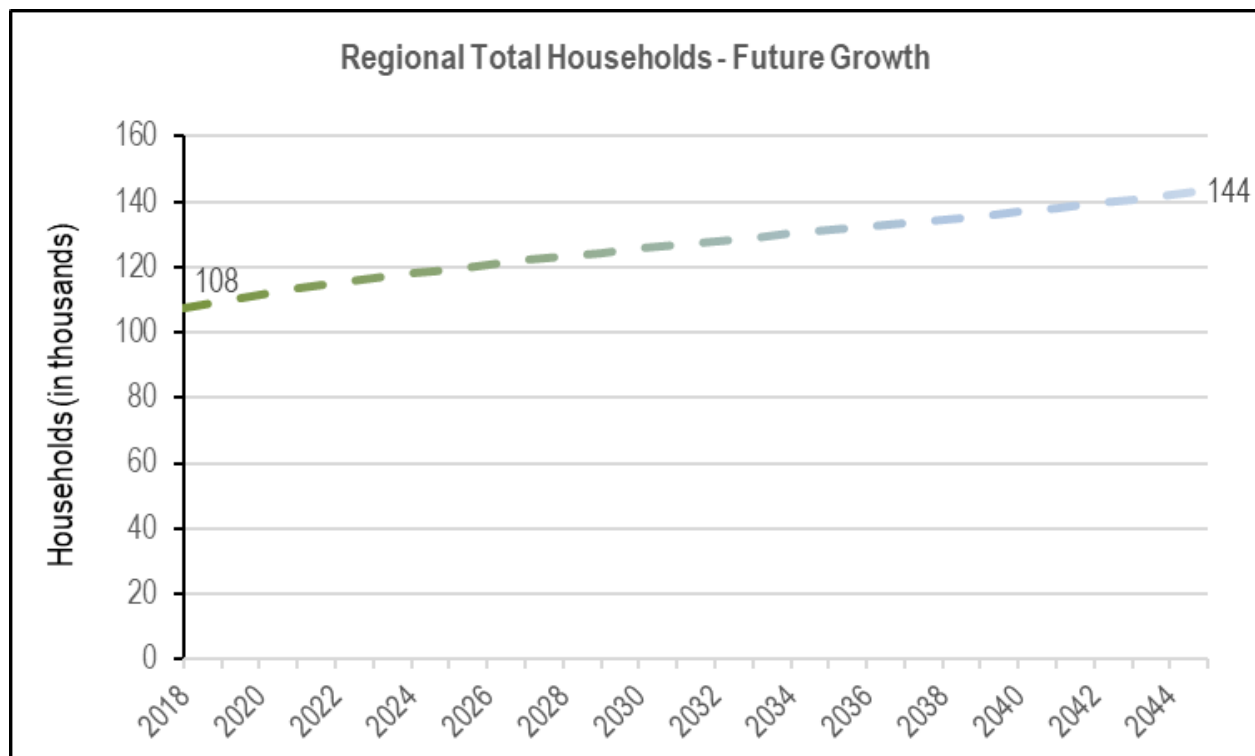
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Table 2. Regional Households – Summary

Area	Households			Absolute Increase		Annual Growth Rate	
	1990	2018	2045	1990-2018	2018-2045	1990-2018	2018-2045
Okaloosa County	53,571	79,570	94,624	25,999	15,054	1.5%	0.6%
Walton County	<u>11,363</u>	<u>28,770</u>	<u>49,041</u>	<u>17,407</u>	<u>20,271</u>	<u>3.5%</u>	<u>1.9%</u>
Region (2-county)	64,934	108,340	143,665	43,406	35,325	1.9%	1.0%
Florida	5,166,179	7,809,358	11,445,862	2,643,179	3,636,504	1.5%	1.4%

Source: Census, 2020; Woods & Poole Economics, 2019

Figure 5. Regional Households – Projected Trend



Source: Woods & Poole, 2019

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2.3 Employment

Employment trends, as presented in **Table 3**, are typically more volatile than both population and households, and are a key driver behind commuting flows. According to the BEA, the region's total employment expanded by over 86,500 (equivalent to a 2.4 percent CAAGR) between 1990 and 2018, reaching the level of almost 178,100 in 2018. This growth rate was somewhat faster than the corresponding state average of 2.2 percent per year.

Table 3. Regional Employment – Summary

Area	Employment			Absolute Increase		Annual Growth Rate	
	1990	2018	2045	1990-2018	2018-2045	1990-2018	2018-2045
Okaloosa County	81,319	134,927	166,389	53,608	31,462	1.9%	0.8%
Walton County	<u>10,303</u>	<u>43,219</u>	<u>101,034</u>	<u>32,916</u>	<u>57,815</u>	<u>5.5%</u>	<u>3.1%</u>
Region (2-county)	91,622	178,146	267,423	86,524	89,277	2.5%	1.5%
Florida	6,740,289	12,462,208	18,003,378	5,721,919	5,541,170	2.3%	1.3%

Source: BEA, 2020; Woods & Pool Economics, 2019

The regional employment is service sector oriented, with the largest industries being government, accommodations, retail trade, professional services, and real estate (see **Table 4**). It should also be acknowledged that Eglin Air Force Base has had an outsized economic impact on the region, including large direct and multiplier effects on area employment.

Table 4. Regional Industry Employment

Industry	Employment	Ranking
Government and government enterprises	37,258	1
Accommodation and food services	21,851	2
Retail trade	20,721	3
Professional, scientific, and technical services	13,442	4
Real estate and rental and leasing	13,089	5

Source: BEA, 2020

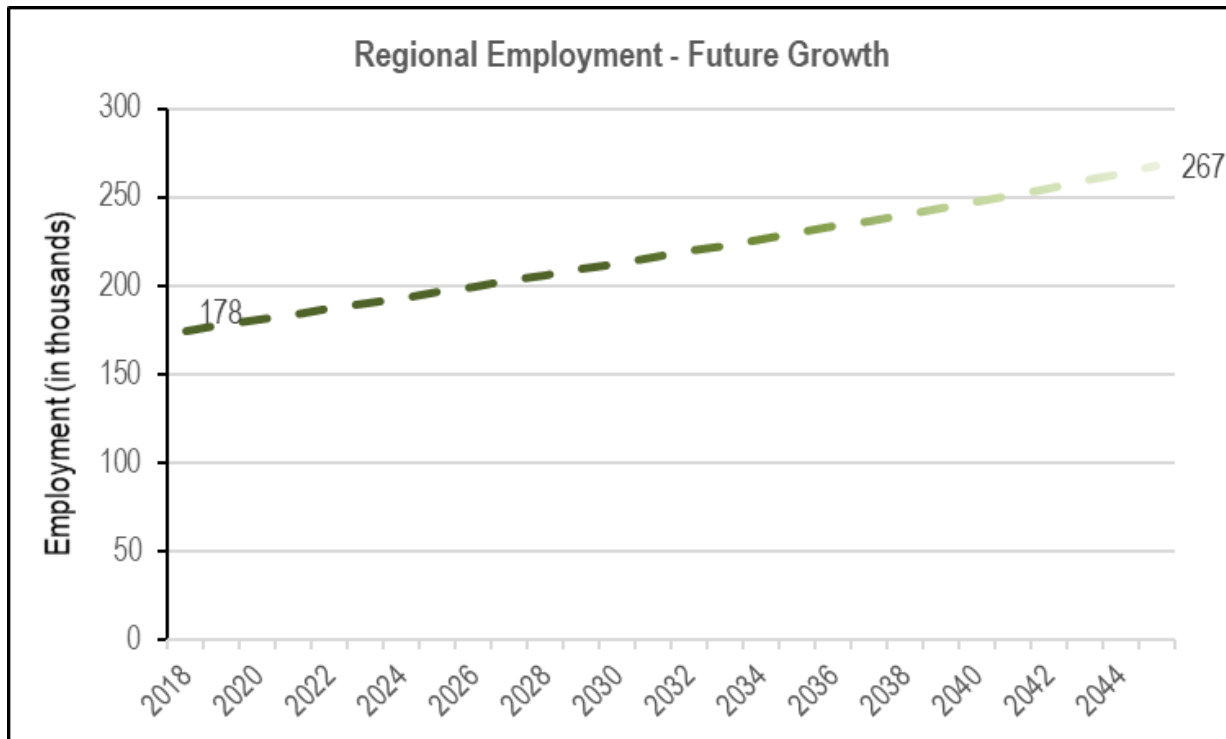
Employment growth is forecast to decelerate to 1.5 percent through 2045, when total employment in the region is expected to reach 267,400 (see **Table 3**, and **Figure 6**), based on W&P projections. This

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rate is faster than those of population and households, but more cyclical, and also slightly faster than the state average (1.4 percent per year).

Walton County experienced a much stronger (about triple) pace of employment growth compared to the more mature Okaloosa County.

Figure 6. Regional Employment – Projected Trend



Source: Woods & Poole, 2019

2.3.1 Unemployment Rate

Table 5 and **Figure 7** illustrate annual unemployment rates between 1990 and 2019, based on the Bureau of Labor Statistics (BLS) data. Historical unemployment rates for the region and the state have generally trended closely with those for the nation, but with regional rate consistently below the rates for the other two larger geographies. The regional unemployment rate was in the 2 percent to 4.5 percent range during the pre-Great Recession years of early 2000s. The unemployment rates then spiked to near 9 percent peaking in 2010, and then gradually decreased to under 3 percent in 2019. The unemployment rate in the region averaged 5.2 percent in the last decade. Low unemployment rates indicate improvements and reduced slack in the area labor market that, all else being equal, leads to more trip making in the region.

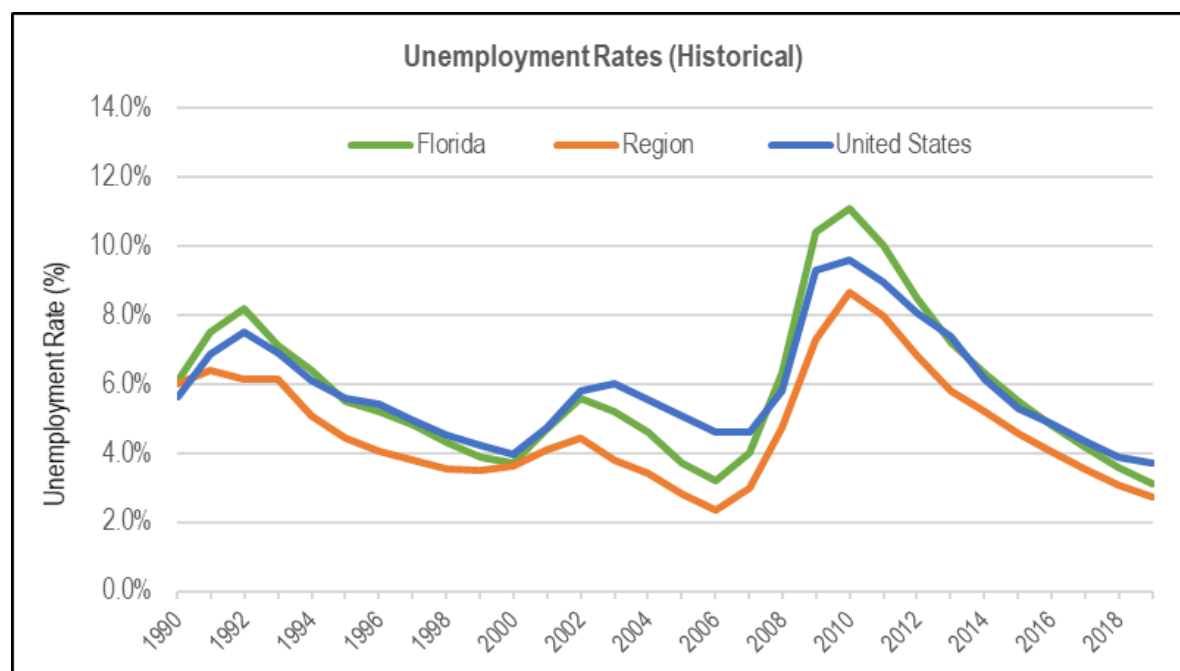
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Table 5. Regional Unemployment Rate – Summary

Area	Unemployment Rate				Absolute Change	Period Averages	
	1990	2000	2010	2019	1990-2019	1990-2019	2010-2019
Okaloosa County	5.9%	3.7%	8.4%	2.7%	-3.2%	4.7%	5.2%
Walton County	6.4%	3.5%	9.4%	2.8%	-3.6%	4.9%	5.5%
Region (2-county)	6.0%	3.6%	8.6%	2.7%	-3.3%	4.7%	5.2%
Florida	6.1%	3.7%	11.1%	3.1%	-3.0%	5.8%	6.4%

Source: Bureau of Labor Statistics, 2020

Figure 7. Regional Unemployment Rate – Historical Trend



Source: BLS, 2020

2.4 Income

Historical real (inflation-adjusted) personal per-capita income is presented in **Table 6**. The regional per capita annual income is estimated to have stood at about \$47,000 (in 2012 constant dollars) in

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2018, which is almost \$19,000 above the 1990 inflation-adjusted level of \$28,000. This is a result of real growth of 2.0 percent per year since 1990, a pace stronger than that experienced in Florida statewide (1.4 percent). As a result, the region's 2018 income level was above the state average of almost \$46,000 per year.

Looking ahead, the per capita income is projected to rise by 1.1 percent on average through 2045, and reach \$64,600, but due to a relatively slower growth rate that is projected to be somewhat below the Florida-wide average level in 2045 (see **Figure 8**), based on W&P forecasts. The per capita income in Walton County is currently higher and will likely continue to exceed the corresponding levels in Okaloosa County and the state as a whole.

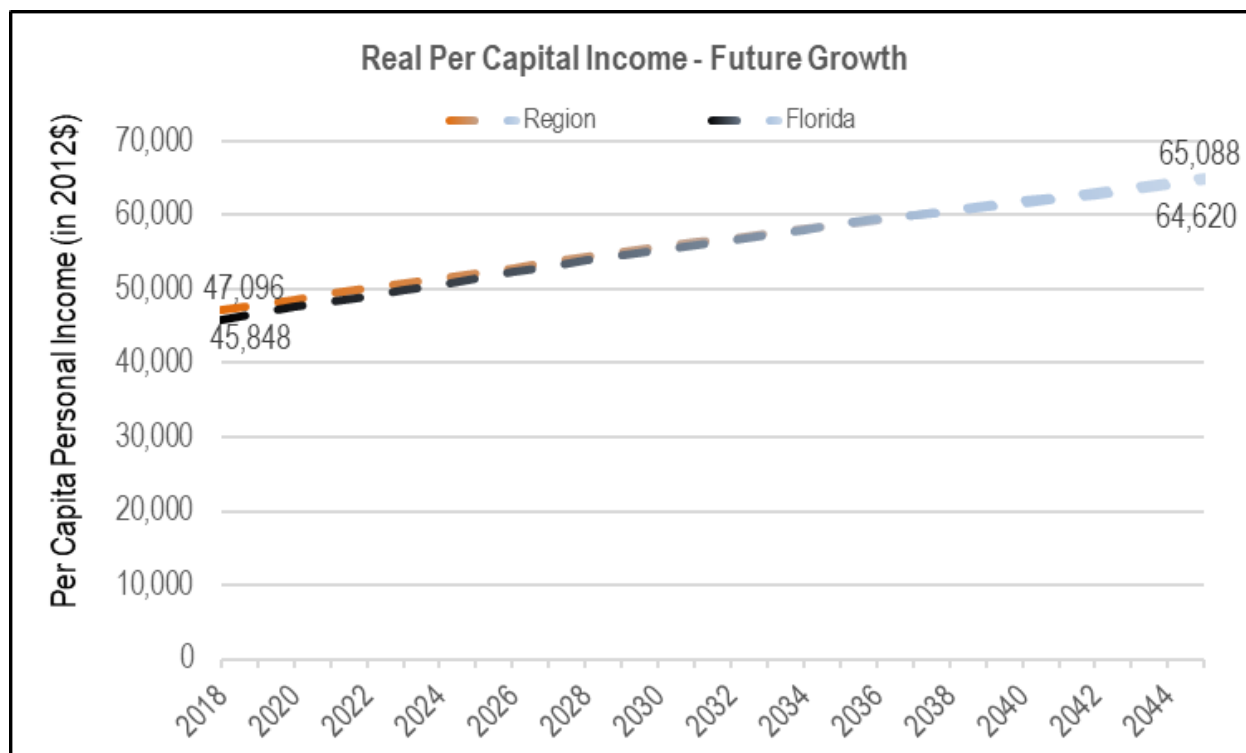
Table 6. Regional Real Per Capita Income – Summary

Area	Real Personal Per Capital Income (in 2012 \$)			Absolute Increase		Annual Growth Rate	
	1990	2018	2045	1990-2018	2018-2045	1990-2018	2018-2045
Okaloosa County	\$29,450	\$45,009	\$57,979	\$15,559	\$12,970	1.6%	0.9%
Walton County	<u>\$20,032</u>	<u>\$53,218</u>	<u>\$77,895</u>	<u>\$33,186</u>	<u>\$24,677</u>	<u>3.7%</u>	<u>1.4%</u>
Region (2-county)	\$27,928	\$47,096	\$64,620	\$19,168	\$17,523	2.0%	1.1%
Florida	\$31,193	\$45,848	\$65,088	\$14,655	\$19,240	1.4%	1.3%

Source: Woods & Poole Economics, 2019

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Figure 8. Regional Real Per Capita Income – Projected Trend



Source: Woods & Poole, 2019

2.5 Real Gross Regional Product

Real Gross Regional Product (GRP), a measure equivalent to the national Gross Domestic Product (GDP), but at a sub-state level such as for a county or a combination of counties, has grown in the region at an average annual pace of 3.0 percent since 1990, and is estimated to have recently reached \$13 billion in the value of its total goods and services produced in 2018 (BEA, 2020), as shown in **Table 7**. Real GRP is projected to decelerate to 1.8 percent annually over the next quarter century reaching a total of \$21.3 billion annually in year 2045 (see **Table 7** and **Figure 9**), compared to a projected \$1.8 trillion and 2.4 percent annual growth rate at the statewide scale (W&P, 2019). It is also noteworthy that the GRP of Walton County has historically grown, and is projected to continue to grow, at an average rate of more than twice that of Okaloosa County.

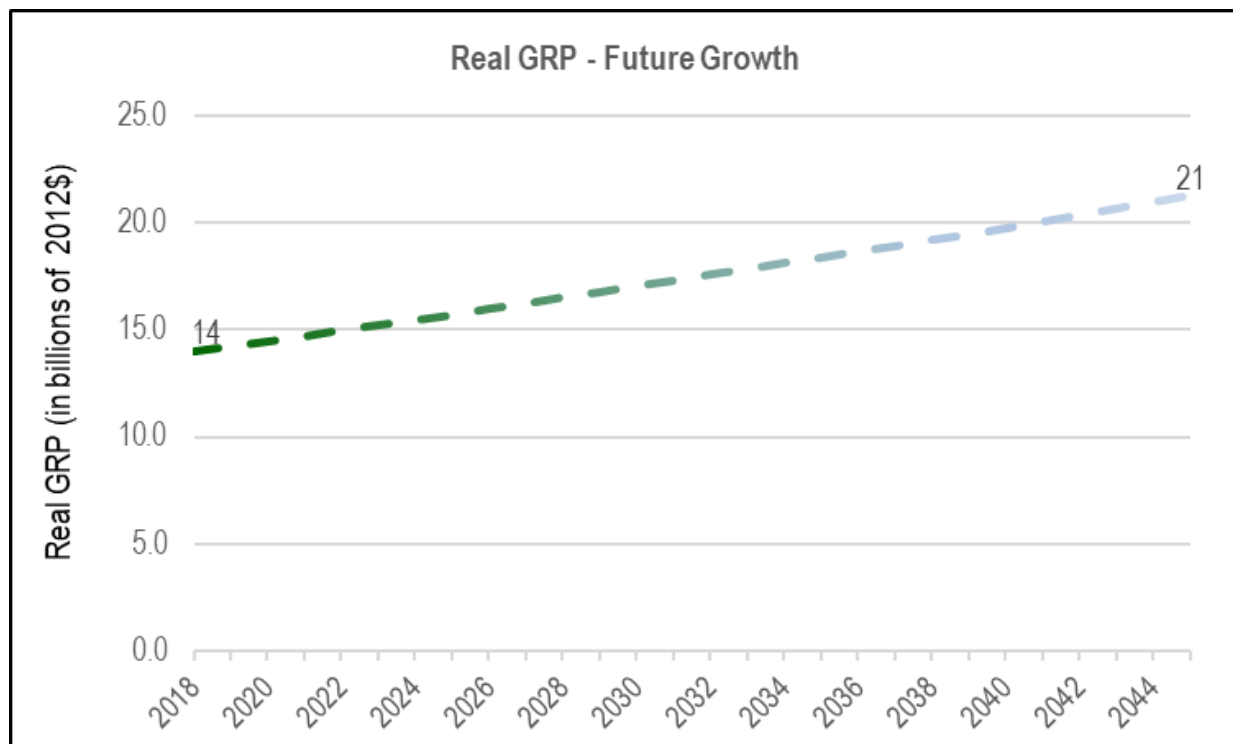
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Table 7. Regional Real Gross Regional Product – Summary

Area	Real Gross Regional Product (in millions of 2012 \$)			Absolute Increase		Annual Growth Rate	
	1990	2018	2045	1990-2018	2018-2045	1990-2018	2018-2045
Okaloosa County	\$5,352	\$10,515	\$15,148	\$5,163	\$4,633	2.5%	1.3%
Walton County	\$458	\$2,511	\$6,120	\$2,053	\$3,609	6.5%	3.2%
Region (2-county)	\$5,810	\$13,026	\$21,268	\$7,216	\$8,242	3.0%	1.8%
Florida	\$413,913	\$924,873	\$1,793,487	\$510,960	\$868,614	3.0%	2.4%

Source: BEA, 2020; Woods & Poole Economics, 2019

Figure 9. Regional Real GRP – Projected Trend



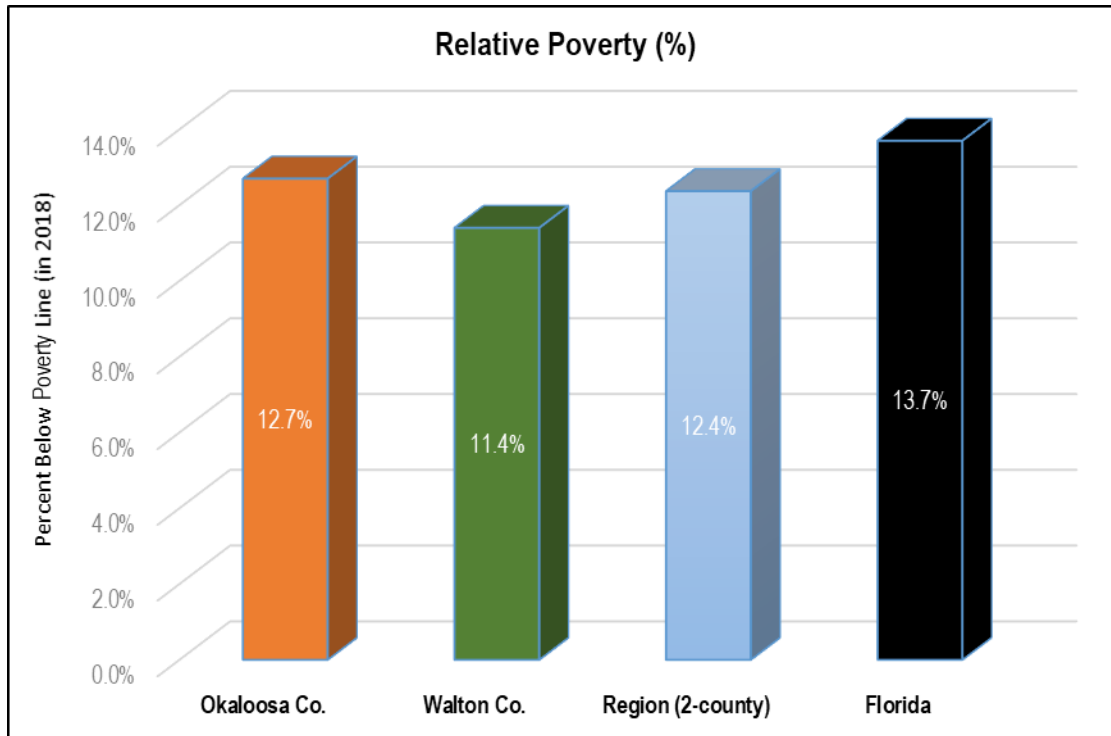
Source: Woods & Poole, 2019

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2.6 Poverty Rate

Related to income, the poverty rate in the region recently stood at 12.4 percent, with those in Okaloosa County at 12.7 percent and Walton County at 11.4 percent, all of which were below the statewide average of 13.7 percent, based on the Florida Office of Economic Development and Research (EDR) data (see **Figure 10**).

Figure 10. Regional Poverty Rate



Source: Florida, EDR, 2020

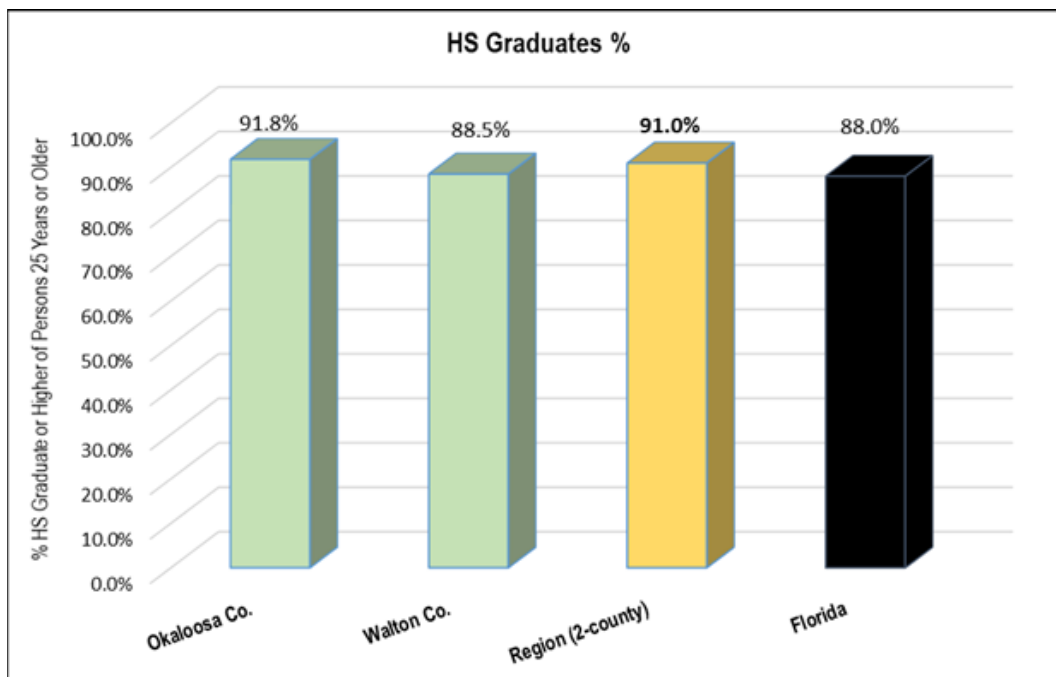
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2.7 Education Attainment

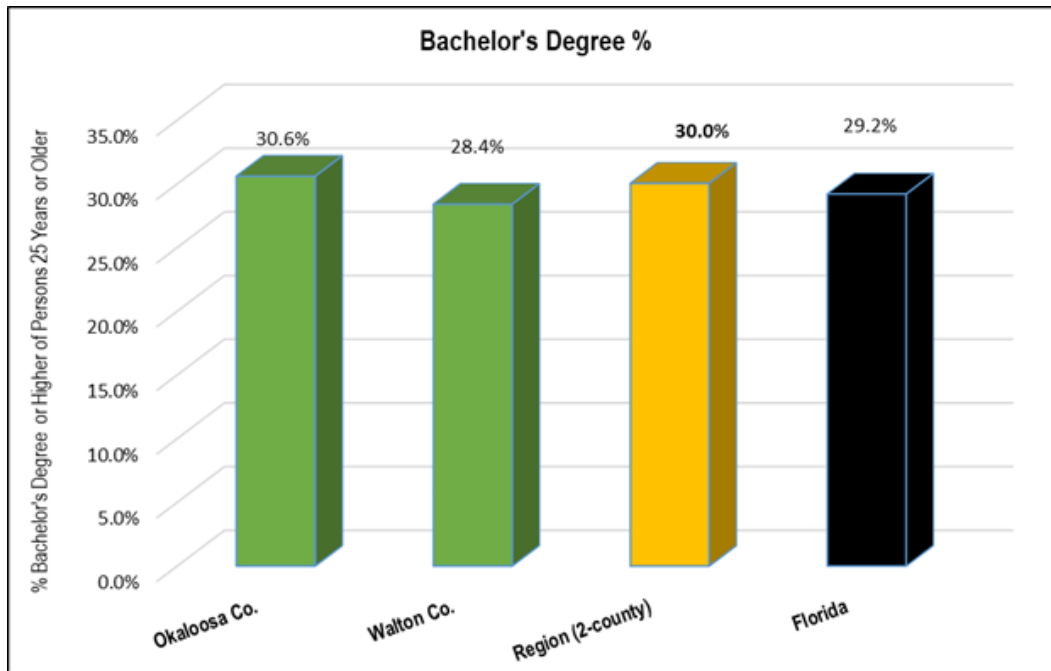
The educational attainment of the region's residents is somewhat mixed. The share of adults (25 years of age or older) that are high school graduates is 91 percent, which is higher than the Florida average of 88 percent, according to Florida EDR (see **Figure 11**).

When comparing the shares of bachelor or higher degree holders, the regional average at 30 percent is also above the Florida statewide average of 29.2 percent (see **Figure 12**). However, the rate in Walton County is lower at 28.4 percent., which could be addressed with enhanced infrastructure access to both brick-and-mortar and remote learning opportunities in the larger region to aid the regional labor pool become competitive in the 21st century knowledge-based economy.

Figure 11. Regional High School Graduates (Percentage)



Source: Florida EDR, 2020

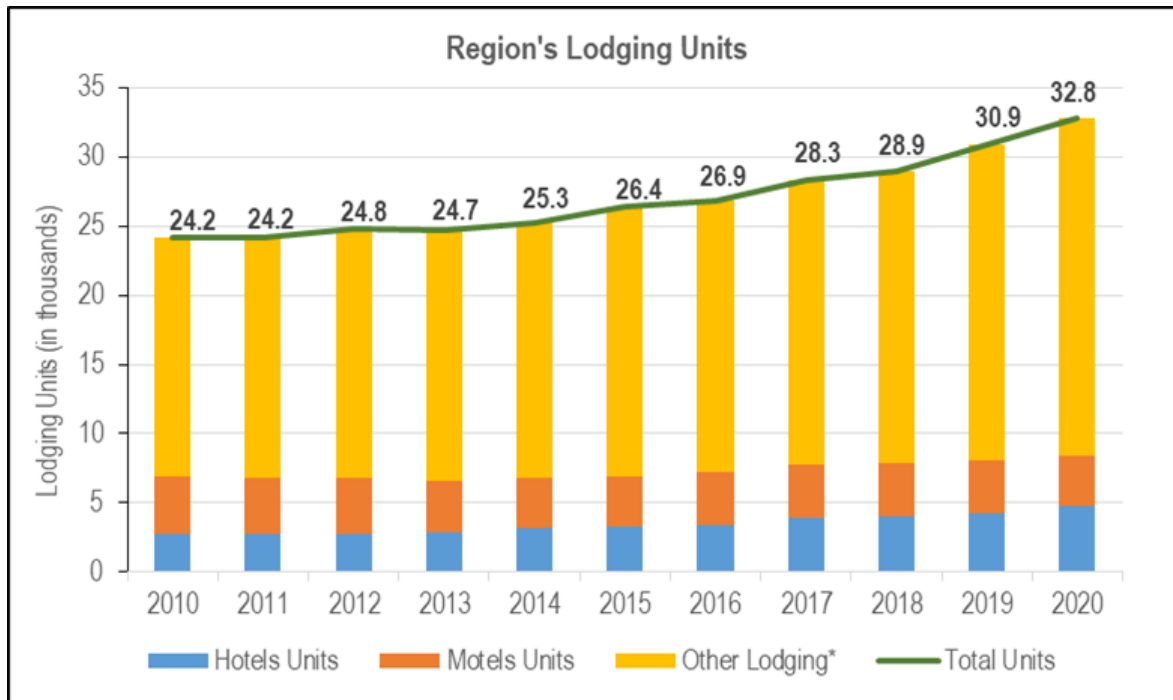
AREA PROFILE & EXISTING CONDITIONS**Figure 12. Regional Bachelor's Degree Holders (Percentage)**

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2.8 Source: Florida EDR, 2020 Lodging Units

Tourism is central to much of the economic and transportation-related activities in the region, which is well-known for its great outdoor activity offerings and accommodations. The related number of lodging units, including hotel and motel units and other types, is a measure of the area's visitor accommodation capacity. As illustrated in **Figure 13**, this number increased substantially between 2010 and 2020, reaching a high of around 32,800 units in 2020. This translates to an average annual rate of 3.1 percent for the region, and a robust 5.1 percent annual growth in Walton County.

Figure 13. Regional Lodging Units



*Other lodging includes: vacation rental condos, dwellings, apartments, and bed and breakfast accommodations.

Source: Florida Department of Business and Professional Regulation, 2020.

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2.9 Airport Traffic

Passenger volumes, as measured by enplanements, at the Destin-Fort Walton Beach Airport (VSP) enplanements have risen by a robust 5.6 percent per year rate since 1990, reaching about 795,000 on its five major carriers in 2019. That volume is projected to rise by another 630,000 to about 1.4 million enplanements in 2045 (FAA, 2020), as shown in **Table 8**, and **Figure 14**.

Growth in enplanements is an indicator of future transportation system activity at the airport and the connecting ground transportation modes, including the roadway facilities such as Eglin Parkway, and S.R. 123 providing access to and from U.S. 98 and I-10, utilized by both the locals and visitors to the area.

Table 8. Destin-Fort Walton Beach Airport Enplanements – Summary

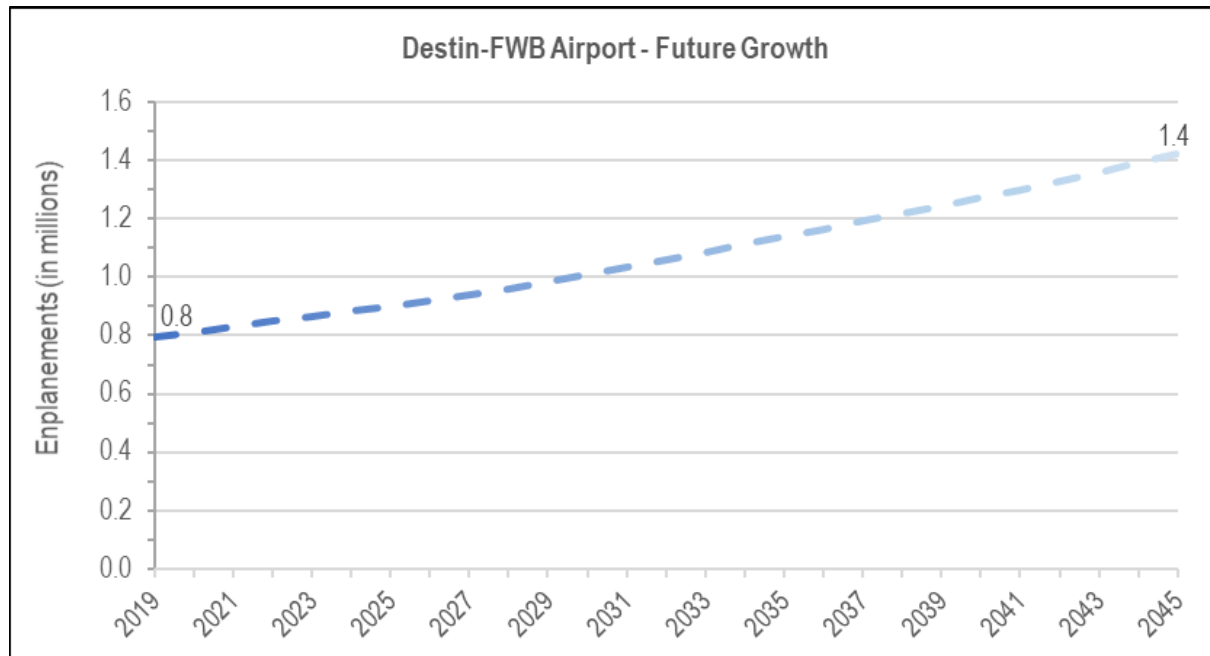
Airport	Enplanements (in 000s)*			Absolute Increase (in 000s)		Annual Growth Rate	
	1990	2019	2045	1990-2019	2018-2045	1990-2019	2019-2045
VPS	162	795	1,424	633	629	5.6%	2.3%

**2019 is an estimate*

Source: FAA, 2020;

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Figure 14. Destin-Fort Walton Beach Airport Enplanements – Projected Trend



Source: FAA, 2020

2.10 Vehicle Registrations

Vehicle registrations in the region grew over the last decade reaching about 250,000 in 2019, based on Florida Highway Safety and Motor Vehicles (HSMV) data (see **Table 9**, and **Figure 15**). This is an average annual growth rate of 1.2 percent since 2010, which was lower than the corresponding 1.8 percent annual growth rate for the state. It is notable that the registrations growth in Walton County was quite robust at 3.1 percent per year over the last decade.

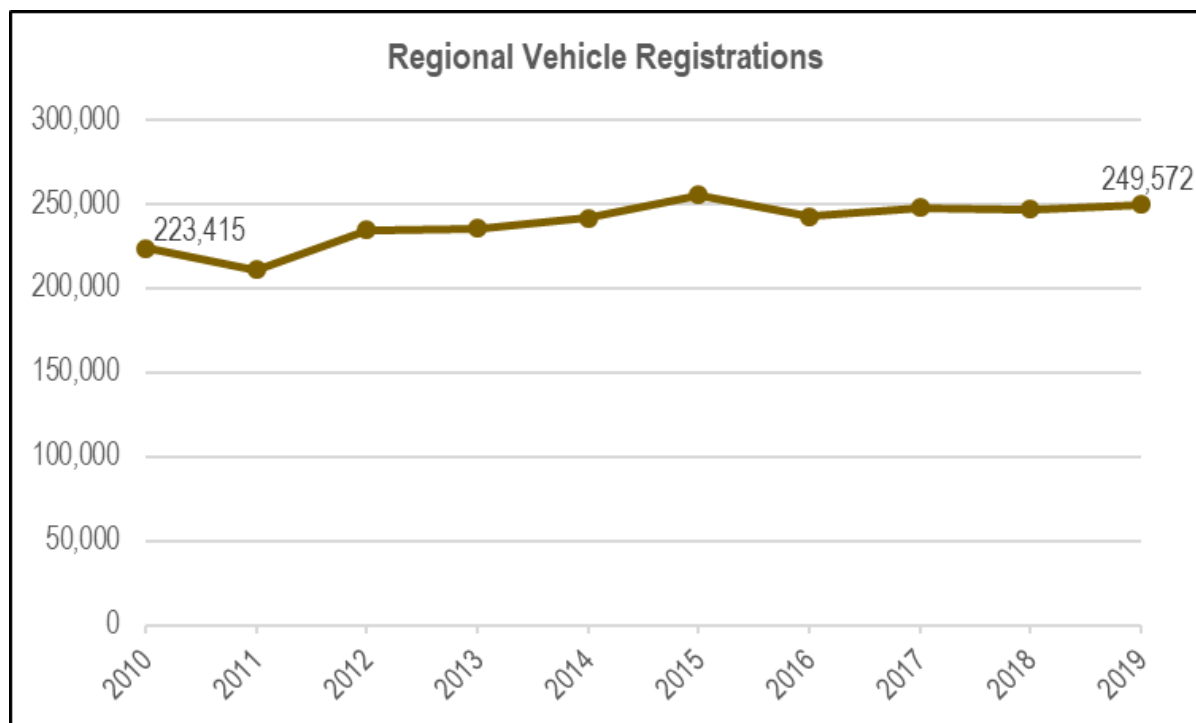
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Table 9. Regional Vehicle Registrations – Summary

Area	Year		Absolute Increase	Annual Growth Rate
	2010	2019	1990-2018	1990-2018
Okaloosa County	178,900	191,178	12,278	0.7%
Walton County	44,515	58,394	13,879	3.1%
Region (2-county)	223,415	249,572	26,157	1.2%
Florida	15,708,245	18,439,216	2,730,971	1.8%

Source: FL HSMV, 2020

Figure 15. Regional Vehicle Registrations – Historical Trend



Source: Florida HSMV, 2020

2.11 Licensed Drivers

Growth in licensed drivers can be an indicator of future traffic demand. The number of licensed drivers in the region has gone up by about 61,000 over the couple recent decades, and the total currently stands at record level of about 229,400, according to the FL HSMV data (see **Table 10** and **Figure 16**).

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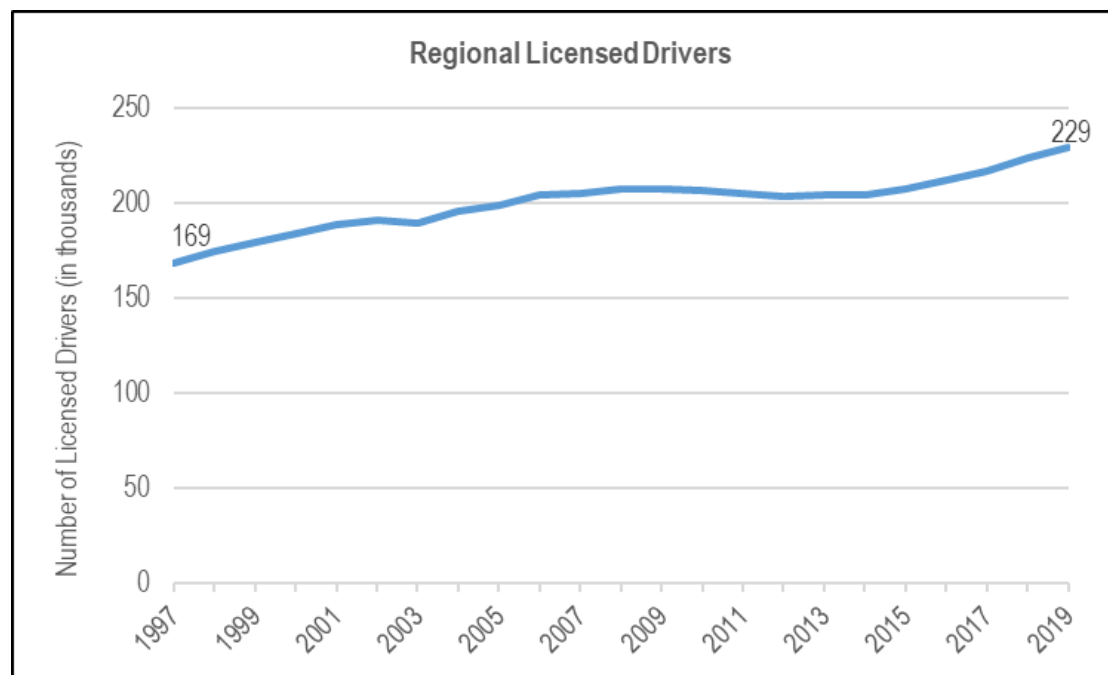
This is equivalent to an annual growth rate for the region of 1.4 percent since 1997, which is somewhat below the 1.6 percent annual growth rate experienced at the statewide level.

Table 10. Regional Licensed Drivers – Summary

Area	Licensed Drivers			Absolute Increase	Annual Growth Rate
	1997	2010	2019	1997-2019	1997-2019
Okaloosa County	144,420	161,025	171,442	27,022	0.8%
Walton County	<u>24,117</u>	<u>45,775</u>	<u>57,986</u>	<u>33,869</u>	<u>4.1%</u>
Region (2-county)	168,537	206,800	229,428	60,891	1.4%
Florida	12,343,598	15,553,387	17,392,281	5,048,683	1.6%

Source: FL HSMV, 2020

Figure 16. Regional Vehicle Licensed Drivers – Historical Trend



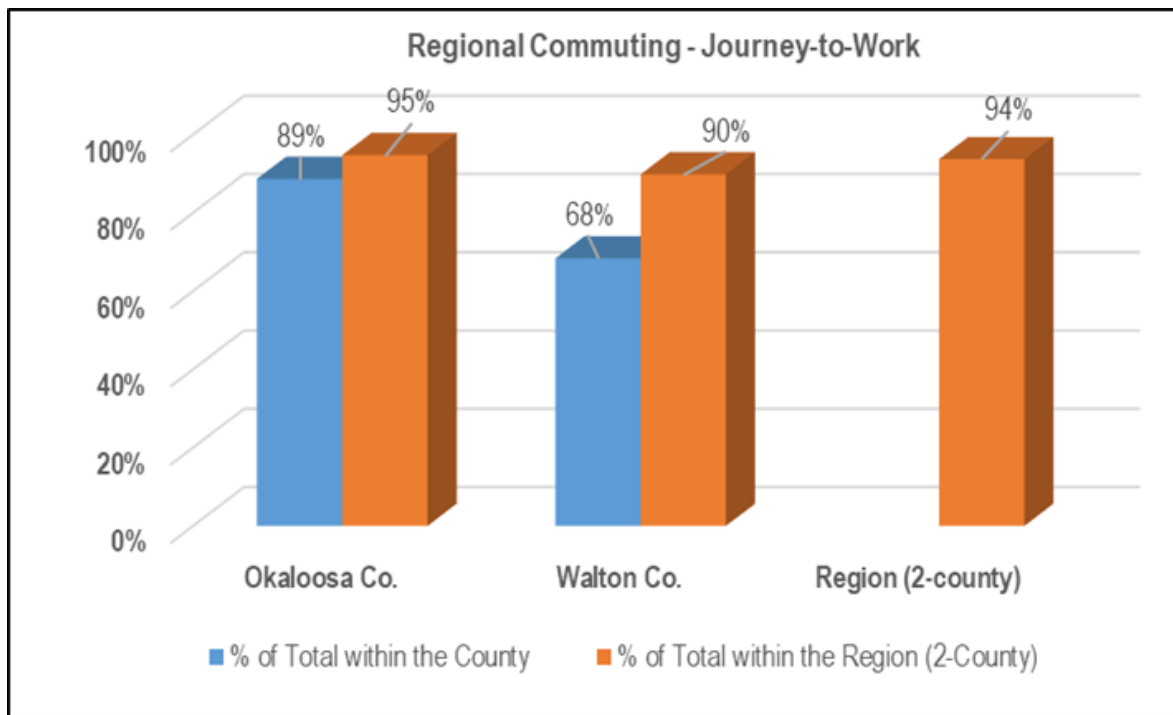
Source: Florida HSMV, 2020

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2.12 Commuting Flows

Journey-to-work or commuting patterns indicate that a great majority (or 94 percent) of work trips are internal to the two-county region, based on American Community Survey (ACS)/Census data (see **Figure 17**). The remaining 6 percent of work trips are scattered around various external counties with the nearby counties of Santa Rosa, Escambia, and Bay being most connected to the region through commuting flows.

Figure 17. Regional Commuting Flow – Summary



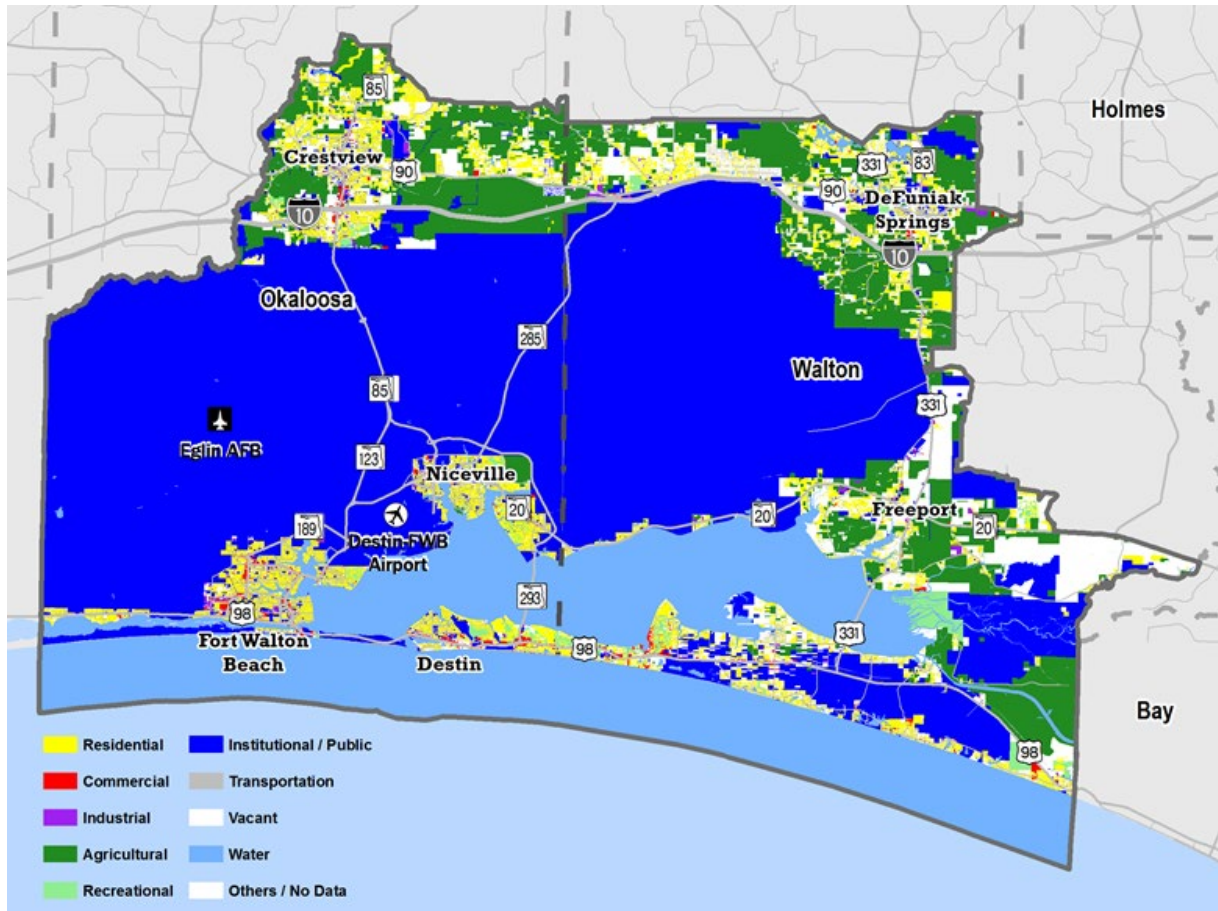
Source: U.S. Census, 2020

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2.13 Area Land Use

Figure 18 provides a snapshot of area's current land use. The area's land use is dominated by Eglin Air Force Base, but also shows a mix of land uses including agricultural, as well as major concentrations of residential and commercial activities in the urban areas of Fort Walton Beach, Destin, Crestview, and Niceville that are largely aligned with the population density map (in **Figure 3**).

Figure 18. Regional Land Use Map



Source: Florida Geographic Data Library, 2018

3.0 **Area Profile Conclusion**

The region has grown considerably over the last quarter century, as measured in terms of different socioeconomic variables. The rates of growth have, however, generally been mixed when compared to the corresponding state averages, but with some strengths such as employment growth. Another observation is more robust historical and forecasted growth occurring in Walton County compared to Okaloosa County.

Continued regional growth is largely expected through 2045, but at a decelerated pace, with the population maturing, and the workforce becoming more service industries oriented. In terms of considering the long-term transportation planning implications of these trends, the key will be to effectively accommodate the changing travel demand and nature of trips in the coming decades. The expected growth will also need to be strategically coordinated with other area agencies, to address ensuing transportation challenges and to capitalize on economic development opportunities.

